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Governor Sean Parnell
STATE OF ALASKA

September 21, 2010

The Honorable Lisa P. Jackson
Administrator
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Administrator Jackson,

I am writing regarding the petition your agency received from six federally recognized tribes to initiate the Clean Water Act Section 404(c) process to prohibit or restrict discharges of dredged or fill materials, including mine tailings, within the watersheds that would include the Pebble Mine. I ask that you decline to invoke Section 404(c) at this time for reasons I will explain.

Let me begin by assuring you that we share a goal of protecting the waters, wetlands, fish, wildlife, fisheries, subsistence, and public uses of the Bristol Bay watershed. This area is home to bountiful natural resources and beauty including vast runs of sockeye and other pacific salmon that support immensely valuable commercial, subsistence, and sport fisheries. As Governor, I will do everything in my power to see that any new development fully protects the resource values of the area, and does not come at the expense of what we have today.

While I understand and share the petitioners' desire to protect the resources in Bristol Bay, I disagree that invoking the 404(c) process at this time would contribute to that goal. At best, it would waste agency and public time and resources. At worst, it would work against our mutual aims. I offer the following thoughts for your consideration.

A premature 404(c) determination effectively prohibiting mining in the area would impinge on State land use planning authority. Much of the land in the Bristol Bay area belongs to the State of Alaska. We have completed several iterations of land planning for these lands including exhaustive public outreach and deliberations to find a balance between competing interests and potential land uses. While we recognize that initiating the 404(c) process does not necessarily lead to a particular outcome, even the possibility that the process would conclude with a prohibition against mining over vast expanses of State lands causes us great concern. Federal preemption of traditional State land use authority is an alarming prospect to say the least. To start with, it would undo years of planning effort, but the effects do not stop there. There has been tremendous investment in the area based on the potential for mineral development. We cannot fathom the liability and legal challenges that could accompany

an unprecedented, after-the-fact determination by the federal government that mineral development from these State lands is no longer viable.

Clean Water Act Section 404(c) offers no protections beyond those included in the Clean Water Act Section 404(b)(1) permit process. The regulations that implement the two parts of the Clean Water Act include virtually the same prohibitions, and call for virtually the same analyses and findings. Where Section 404(c) rules prohibit “unacceptable adverse effects on municipal water supplies, shellfish beds and fishery areas (including spawning and breeding areas), wildlife, or recreational areas,” the Section 404(b)(1) rules prohibit “significantly adverse effects . . . on municipal water supplies, plankton, fish, shellfish, wildlife, and special aquatic sites” as well as “recreational” and “aesthetic” “values.” The prohibitions and standards are very similar. The difference, of course, is that you are being asked to invoke Section 404(c) now ahead of any environmental planning and permitting processes, whereas the Section 404(b)(1) process would come later as part of the permit process for Pebble or another mine. The fact remains that Section 404(c) does not offer any more protection for area resources than does Section 404(b).

The record is currently insufficient to support the findings demanded by the 404(c) process, and could not begin to approach the record that will exist upon completion of the National Environmental Policy Act (NEPA) and permit processes that would be required for new mine development. As already mentioned, the 404(c) process hinges on the Environmental Protection Agency (EPA) deciding whether there will be “unacceptable adverse impacts” on “municipal water supplies, shellfish beds and fishery areas (including spawning and breeding areas), wildlife, or recreational areas.” The environmental planning and permitting process for the Pebble Mine alone will necessarily produce volumes of studies and information that would allow for fully informed decisions about potential impacts from mining in the area.

Not enough is known about mine plans in the area to gauge impacts as required by the 404(c) process. State and federal agencies have yet to receive designs or permit applications for the Pebble Project, or any other major mine in the Bristol Bay area. Without a specific proposal, EPA cannot evaluate the potential impacts or risks from the project. We do not know where facilities would be located, which wetlands might be impacted, or what the characteristics of the dredged or fill material would be.

A meaningful 404(c) process cannot be concluded in the time frame envisioned by the regulations. While the 404(c) process can be initiated before receipt of a permit application, the normal course would begin with a notice of a proposed determination by the Regional Administrator and conclude with a final determination by the Administrator approximately five months later. We recognize that time frames can be extended for good cause, but doubt that anyone envisioned extending the process over the multiple years it would take to collect information, complete the impact analyses, and develop a sound record on a par with what we could expect from the NEPA and permit processes for a new mine development proposal.

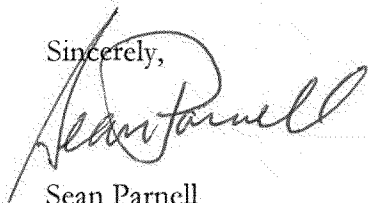
The 404(c) process would short change public participation. The public notice and opportunity for comment and hearing associated with the 404(c) process could not rival the outreach, education, consultation, and other public involvement that would occur should the Pebble Mine or another mine advance to the NEPA and permitting phase.

A premature 404(c) determination effectively prohibiting mining in the area would disproportionately impact rural residents and Alaska Natives. Approximately 70 percent of area residents are Alaska Native (2009). Seventeen percent fall below the poverty level (2008). The area has seen an 18 percent population decline in the last ten years. Knowing of your keen interest in the effects of EPA decisions on disadvantaged populations, we hope you would take into account that a 404(c) decision to preclude mining in this economically depressed region would abruptly and conclusively deny area residents any opportunity to avail themselves of the benefits they might seek from responsible mining.

The intended purpose and true utility of the 404(c) process is in addressing actual or imminent adverse effects where the NEPA and permit processes have failed or where there is reason to believe that they will fail. In essence, the 404(c) process is best used as a backstop for the other applicable provisions of Section 404, including application of the 404(b)(1) guidelines and the interagency coordination and dispute resolution procedures developed pursuant to 404(q). There is no purpose or advantage to initiating the process now.

For these reasons, I firmly believe initiating a 404(c) process would be ill-advised and potentially contrary to our shared goal of protecting area resources. I would appreciate your taking our concerns into account. If there is anything else we can do to assist you, please contact my office at 907-465-3500.

Sincerely,



Sean Parnell
Governor

cc: The Honorable Lisa Murkowski, U.S. Senate
The Honorable Mark Begich, U.S. Senate
The Honorable Don Young, U.S. House of Representatives
Dennis McLerran, Regional Administrator, EPA Region 10
John Katz, Director State and Federal Relations, Office of the Governor